CalHFA MULTIFAMILY PROGRAMS DIVISION

Final Commitment Staff Report & Request for Loan Approval of Permanent Take-Out Loan for Tax Exempt financing with Mixed Income Program Subsidy Financing

Senior Loan Committee "Approval": 11/1/2021 for Board Meeting on 11/16/21

Project Name, County:	Shiloh Terrace, Sonoma County	
Address:	6011 Shiloh Road & 6035-6050 Old Redwood Highway, Windsor, CA 95492	
CalHFA Project Number:	21-020-A/X/N	Total Units: 134
Requested Financing by Loan Program:	$42,808,977	**Tax Exempt Bond – Conduit Issuance Amount**
	$12,215,488	**Taxable Bond – Conduit Issuance Amount**
	$27,080,000	**Tax Exempt Permanent Loan with HUD Risk Sharing**
	$3,900,000	**Subsidy GAP Loan funded by MIP funds**

DEVELOPMENT/PROJECT TEAM

Developer:	CRP Affordable Housing and Community Development LLC	**Borrower:**	CRP Shiloh Terrace LP
Permanent Lender:	CalHFA	**Construction Lender:**	JPMorgan Chase Bank, N.A.
Equity Investor:	CREA (Federal/Solar), Monarch Private Capital (State)	**Management Company:**	Hyder Property Management Professionals, LLC
Contractor:	Highland PM, LLC	**Architect**	Hedgpeth Architects
Loan Officer:	N/A	**Loan Specialist:**	Kevin Brown
Asset Manager:	Jessica Doan	**Loan Administration:**	Mirna Ramirez
Legal (Internal):	Paul Steinke	**Legal (External):**	N/A
Concept Meeting Date:	4/21/2021	**Approval Expiration Date:**	180 days from Approval

LOAN TERMS

1.		**CONDUIT ISSUANCE JPMORGAN CHASE CONSTRUCTION LOAN**	**PERMANENT LOAN**	**MIP (GAP) LOAN**
	Total Loan Amount	$42,808,977 (t/e) $12,215,488 (taxable)	$27,080,000	$3,900,000
	Loan Term & Lien Position	25 months - interest only; 1st Lien Position during construction	40 year partially amortizing due in year 17 1st Lien Position at permanent closing	17 year - Residual Receipts; 2nd Lien Position at permanent loan closing

	Interest Rate (subject to change and locked 30 days prior to loan closing)	LIBOR + 145bps for t/e LIBOR + 200 bps for taxable Underwritten at 1.95% and 2.50% respectively that includes a .50% cushion	MMD15 + 2.60% Underwritten at 4.19% that includes a .25% cushion Estimated rate based on a 36-month forward commitment.	Greater of 1.00% Simple Interest or the Applicable Federal Rate at time of MIP closing Underwritten at 2.00%
	Loan to Value (LTV)	58%	86%	N/A
	Loan to Cost	68%	34%	N/A

PROJECT SUMMARY

2.	**Legislative Districts**	**Congress:**	#2 Jared Huffman	**Assembly:**	#2 Jim Wood	**State Senate:**	#2 Mike McGuire

	Brief Project Description	Shiloh Terrace (the "Project") is a new mixed-income Project, consisting of one three story building and one four-story building, both elevators serviced, with 134 units total. The project will consist of six two-bedroom units (721 sf) and 128 three-bedroom units (955 sf). The Project is in a disaster area and is part of locality's disaster recovery strategy/plan. There are currently two single-family residences located on the project site. The tenants will be relocated, and the structures demolished during the construction process. **Financing Structure:** The Project's financing structure includes tax-exempt bonds, taxable bonds, 4% tax credits, the Agency's Tax-Exempt Permanent Loan with Risk Sharing program and Mixed-Income Program. **Tax Credits and/or CDLAC Status:** The project was awarded bond allocation and tax credits on August 11, 2021. **Project Amenities:** The Project includes a community room, exercise facility, computer room, business center, central laundry facilities, on-site management and recreation areas. Additionally, the Project will offer health and wellness classes and adult education classes. Unit amenities will include central heating, central airconditioning, dishwasher and garbage disposal. **Local Resources and Services:** The Project is located in a High Resource Area per TCAC's Opportunity Area Map. The Project is in close proximity to the following local amenities and services: • Grocery stores – 2.1 miles • Schools – 1.3 miles • Public Library – 2.5 miles • Public transit – 0.1 miles • Retail – 0.6 miles • Park and recreation – 0.1 miles • Hospitals – 2.6 of miles **Non-displacement <u>and</u> No Net Loss:** To the extent feasible, it is the Agency's priority to mitigate the overall effects upon affordable housing availability that may arise from multifamily developments that may result in permanent displacement of existing affordable housing residents and/or net loss of existing affordable housing units. The Project is a new construction project, with no related demolition of existing affordable housing, hence no existing affordable housing units will be lost as a result of this development. However, the

		project will be displacing two market rate rental single-family homes that are currently onsite. The developer has budgeted approximately $204,437 in relocation costs to cover the moving costs of the current tenants. **Commercial Space:** The Project does not include commercial space.

MISSION

3.	CalHFA Mission/Goals	
This Project and financing proposal provide 133 units of affordable housing with a range of restricted rents between 30% AMI and 70% of AMI which will support much needed rental housing that will remain affordable for 55 years.		

ANTICIPATED PROJECT MILESTONES & SCHEDULE

4.	CDLAC/TCAC Closing Deadline:	2/7/2022	Est. Construction Loan Closing:	1/2022
	Estimated Construction Start:	1/2022	Est. Construction Completion:	1/2024
	Estimated Stabilization and Conversion to Perm Loan(s):		4/2024	

SOURCES OF FUNDS

5.

Construction Period Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
JP Morgan Chase Construction Loan (Tax-Exempt)	$42,808,977	1st	1.95%	Interest Only
JP Morgan Chase Construction Loan (Taxable)	$12,215,488	2nd	2. 50%	Interest Only
Solar Equity	$186,027	N/A	N/A	N/A
Tax Credit Equity	$14,962,294	N/A	N/A	N/A
TOTAL	**$70,172,786**	**$523,678**	**Per Unit**	
Permanent Financing				
SOURCE	**AMOUNT**	**LIEN POSITION**	**INTEREST RATE**	**DEBT TYPE**
CalHFA Permanent Loan	$27,080,000	1st	4.19%	Balloon 40/17
CalHFA MIP	$3,900,000	2^{nd}	2.00%	Residual Receipts
Deferred Developer Fee	$6,645,059	N/A	N/A	Cash flow
Solar Equity	$465,067	N/A	N/A	N/A
Tax Credit Equity	$41,517,566	N/A	N/A	N/A
TOTAL DEVELOPMENT COST:	**$79,607,692**	**$594,087**	**Per Unit**	

Subsidy Efficiency: $29,323 Per MIP restricted unit

Tax Credit Type(s), Amount(s), Pricing(s), and per total units:
- 4% Federal Tax Credits: $37,669,871 assuming estimated pricing of $0.88 ($281,118 per total units).
- State Tax Credits: $9,807,392 assuming estimated pricing of $0.875 ($73,189 per total units).

- Solar Tax Credits: $522,600 assuming estimated pricing of $0.89 ($3,900 per total units).

Rental Subsidies: The Project will not be subsidized by project-based vouchers.

Other State Subsidies: The Project will not be funded by other state funds.

Other Locality Subsidies: The Project will not be funded by locality funds.

Cost Containment Strategy: All major subcontractor and self-performing trades will be bid out competitively, with a minimum of three bids for each individual trade. A value engineering consultant will also be engaged during the design stage to help control overall construction costs. The project team of Owners / Engineers / Contractors have been and will remain involved throughout the design stage, helping to control overall costs. The GC will be establishing a critical path (CMP) for the construction process to efficiently manage it in real time with the main purpose of mitigating potential delays. The project construction team has significant experience in affordable housing in general and working together in particular, and an established Request for Information ("RFI") system will also be employed on this project. The GC contract will be Guaranteed Maximum Price ("GMP") with minimal allowances for cost accuracy, and all potential savings shall be returned to owner.

High Cost Explanation: The total development cost is $79,607,692 and the per unit is $594,087, which is lower than CDLAC's maximum allocation calculation for the Project ($85,211,000 or $635,903 Per Unit). The following are a few contributing factors to the total development cost:

- Development Costs- Due to its location in the North Bay Area and proximity to San Francisco, development costs in Windsor are expensive relative to other regions of California.
- Impact Fees and Land Costs- Development impact fees of $5,880,553 and land costs of $4,050,000 are generally high in Windsor.
- Large Family Project- 95% of the units at Shiloh Terrace are large three-bedroom units with 100% of the units serviced by elevators.
- Offsite Improvements- $2,000,000 of offsite improvements are required by the Town of Windsor entitlement conditions and include new lanes, parking, bike lanes, sidewalks, park strips, new traffic signalization and turn lanes on both Old Redwood Highway and Shiloh Road as part of the Windsor Community Plan and Design.

The estimated adjusted total development cost per unit, minus the contributing factors above, is approximately $505,053.

6.	Equity – Cash Out (estimate): Not Applicable

TRANSACTION OVERVIEW

7.	**Proposal and Project Strengths**

- The Project has received 4% tax credits which is projected to generate equity representing 52% of total financing sources.
- The Project will serve low-income families ranging between 30% to 70% of AMI.
- The projected portion of the developer's fee that will be collected at or prior to permanent loan conversion is $2,795,142, which could be available to cover cost overruns and/or unforeseen issues during construction.
- The Project is receiving strong local support in the form of density bonuses and zoning waivers including reduced parking ratio, reduction in City required open space, and allowing an all-residential project in a mixed-use area

designated by the City's general plan.

8. Project Weaknesses with Mitigants:

- The exit analysis assumes 2% increase in the current cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan $2,001,351 leaving an outstanding balance of $3,068,649. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.
- A Phase I report dated January 26, 2021 identified asbestos containing materials (ACM) and the potential for lead-based paint (LBP) in the 2 occupied single-family residences on the site that will be demolished during the construction period. Estimated remediation costs are included in the development budget. Evidence of environmental clearance will be required as a prerequisite to closing of the CalHFA permanent and MIP loans.
- The developer/sponsor does not have experience with CalHFA, however, they have extensive experience in developing similar affordable projects in this region. In addition, the locality is familiar with developer/sponsor and strongly supports the project.

9. Underwriting Standards or Term Sheet Variations

For purposes of MIP subsidy efficiency analysis, the underwriting of the permanent first lien loan is typically required to be sized based on the maximum TCAC income and rent limits. The developer is requesting an exception to this requirement and instead has requested that project rents for 43 of the units be limited to 34% below TCAC regulated maximum rents. This is a condition required by the investor to ensure that the income average of the property overall is approximately 55% of AMI (60% is the maximum), which mitigates the Project's risk of losing tax credits during the compliance period pursuant to income averaging requirements. The income for these 43 units average 47% below market rents for similar units vs. average of 18% below market rents if TCAC maximum rents are used. This request does not include the 10% of total units (14 units) restricted between 60% and 80% AMI as required by the MIP term sheet. To facilitate project feasibility, staff is recommending an exception to the MIP subsidy efficiency requirement to allow the project's permanent first lien loan underwriting to align with the investor's requirements.

10. Project Specific Conditions of Approval

Approval is conditioned upon:

- No site work or construction commenced prior to the issuance of a HUD Firm Approval Letter.
- Evidence of local approval from the Town of Windsor of final relocation plan and budget acceptable to Agency are required prior to construction loan closing.
- Receipt of LPA evidencing equity investor's requirements that the residual receipt split must be modified to 100% towards the earlier of repayment of deferred developer's fee or 15 years. In addition, the owner must provide evidence of investor approval of the total deferred developer's fee structure and residual receipt split.
- Evidence from JPMorgan Chase and investors that funding will be structured such that the JPMorgan Chase 80% loan to investment value ratio is satisfied.
- The City is requiring the Borrower to encumber the Property by recording a Density Bonus Agreement. Prior to construction loan closing and closing of the CalHFA loans, the Density Bonus Agreement is subject to CalHFA review and approval in accordance with Agency underwriting standards.
- CalHFA requires that MIP affordability covenants be recorded in first position senior to all foreclosable debt.
- Completion of NEPA review prior to construction loan closing.
- Per findings in Phase I Environmental Site Assessment, the developer will need to provide a detailed remediation plan for onsite contaminants prior to construction loan closing.
- Receipt of CUAC report that supports the proposed utility rates for the project.
- The total deferred developer's fee of $6,645,059 will not be fully repaid by year 15 per project cashflow, therefore the owner must provide evidence of investor approval of the total deferred developer's fee structure. The

outstanding balance of approximately $92,328 is anticipated to be contributed by to the developer to the Project. Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs not attributable to the Town of Windsor entitlement conditions and Community Plan.

- Receipt of a locality contribution letter stating the municipality's support for the project.
- The CalHFA subsidy will be, in the Agency's sole discretion, the lesser of 1) the principal amount as state on hereto or 2) an amount as determined by the Agency in the event the financial assumptions change prior to construction loan closing and/or permanent loan closing. For instance, if the permanent loan interest rate decreased, then the subsidy may be reduced due to additional debt generated by the lower interest rate. The debt service coverage ratio ("DSCR") shall be a maximum of 1.20. An increase of the subsidy loan will not be allowed and will be subject to Agency's approval.
- Subject to an updated Phase I report prior to construction loan closing.
- Funds from the CalHFA permanent loan and/or the subsidy loan shall not be used to fund or offset any portion of the offsite improvement costs required by the Town of Windsor entitlement conditions, except to the extent such costs are attributable to the improvements for the exclusive use by the tenants of the project.

11. Staff Conclusion/Recommendation:

The Multifamily Lending Division supports approval of the described financing in the amount(s) requested, subject to the above proposed terms and conditions.

AFFORDABILITY

12. CalHFA Affordability & Occupancy Restrictions

The CalHFA Permanent Financing Regulatory Agreement will restrict a minimum of 30% of the total units (41 units) at or below 60% AMI and 10% of the total units (14 units) at or below 50% AMI for 55 years.

The CalHFA MIP Subsidy Regulatory Agreement requires 10% of total units (14 units) at or below 50% of AMI and 10% of total units (14 units) between 60% and 80% of AMI with a minimum average of 70% of AMI and 79% of the total units (105 units) at or below 120% of AMI for a term of 55 years. The rents for the 60% to 80% tranche will be determined by the minimum income limit of 70% of AMI, not to exceed 80% of AMI. For underwriting purposes, the initial rents at permanent loan conversion must be no less than the underwriting rent levels outlined on the "Unit Mix and Rent Summary" enclosed.

In addition, the Town of Windsor Density Bonus Agreement will restrict a total of 21 units at or below 50% of AMI for a total of 55 years. The TCAC Regulatory Agreement will also restrict a total of 133 units between 30% and 70% AMI for a 55-years term.

Rent Limit Summary Table

Restrictions @ AMI	Total	Studio	1-bdrm	2-bdrm	3-bdrm	4-bdrm	% of Total
30%	14	-	-	1	13	-	10.4%
50%	14	-	-	1	13	-	10.4%
60%	49	-	-	-	49	-	36.6%
70%	53	-	-	4	52	-	41.8%
Manager's Unit	1	-	-	-	1	-	0.7%
Total	134	0	0	6	128	0	100%

The average affordability restriction is 60% of AMI. The current underwriting rents average 55% of AMI per investor requirements.

NUMBER OF UNITS AND AMI RENTS RESTRICTED BY EACH AGENCY

Regulatory Source	Recordation Priority of Recorded Document	Term of Agrmt (years)	Number of Units Restricted for Each AMI Category							
			30% AMI	50% AMI	60% AMI	70% AMI *(60% to 80% Tranche)	<= 120% AMI	Mgrs. Unit	Total Units Regulated	% of Regulated Units
CalHFA MIP	1st	**55**		14		14	105		133	99.25%
CalHFA Bond	2nd	**55**		14	41				55	40.30%
Town of Windsor Density Bonus Agreement	3rd	**55**		21					21	15.67%
Tax Credits	4th	**55**	14	14	49	56			133	99.25%

13.	**Geocoder Information**

Central City:	No	Underserved:	No
Low/Mod Census Tract:	Upper	Below Poverty line:	4.53%
Minority Census Tract:	38.83%	Rural Area:	No

FINANCIAL ANALYSIS SUMMARY

14.	**Capitalized Reserves:**	
	Replacement Reserves (RR):	N/A
	Operating Expense Reserve (OER):	$1,147,492 OER amount is size based on 6 months operating expenses, debt service, and annual replacement reserves deposits. CalHFA will hold this reserve for the term of the CalHFA permanent first lien loan and in the event the OER is drawn down during the term of the loan, the OER must be replenished over a 12 month period to the original level.
	Transitional Operating Reserve (TOR):	N/A.

15.	**Cash Flow Analysis**			
	1st Year DSCR:	1.16	**Project-Based Subsidy Term:**	N/A
	End Year DSCR:	1.61	**Annual Replacement Reserve Per Unit:**	$250/unit
	Residential Vacancy Rate: **Subsidy Vacancy Rate:**	5% N/A	**Rental Income Inflation Rate:** **Subsidy Income Inflation Rate:**	2.50% N/A
	Non-residential Vacancy Rate:	N/A	**Project Expenses Inflation Rate:** **Property Tax Inflation Rate:**	3.50% 1.25%

The Project is proposing to use a lower Utility Allowance (“UA”) than HUD’s allowance due to the anticipated implementation of a more energy efficient system as supported by the third-party energy report and California Utility Allowance Calculator (“CUAC”) which has been approved by TCAC and the investor.

16.	Loan Security
The CalHFA loan(s) will be secured against the above-described Project site.	

17.	Balloon Exit Analysis	Applicable: ☒ Yes ☐ No

The exit analysis assumes a 7% cap rate and 3% increase of the underwriting interest rate at loan maturity. Based on these assumptions, the Project will have the ability to fully repay the balance of Agency's permanent first lien loan but may only have the ability to repay a portion of the Agency's subsidy MIP loan in the estimated amount of $2,001,351 leaving an outstanding balance of $3,068,649. This is as expected by CalHFA given the requirement that the MIP loan be co-terminus with the permanent first mortgage. The primary source of repayment for both the first mortgage and the MIP subsidy loan is refinance of the project first mortgage. To the extent such a refinance is insufficient to fully repay the MIP loan, it is contemplated that any remaining balance will be paid from a general partner contribution as part of the final close out of partnership obligations to allow re-syndication.

APPRAISAL AND MARKET ANALYSIS

18.	Appraisal Review	Dated: 9/7/21

- The Appraisal dated September 7, 2021, prepared by Pacific Real Estate Appraisal values the land at $4,450,000.
- The cap rate of 5% and projected net operating income, which is generally aligned with the proposed Project net operating income, were used to determine the appraised value of the subject site.
- The proposed operating expenses are consistent and reasonable based on the appraisal report.
- The as-restricted stabilized value is $31,630,000, which results in the Agency's permanent first lien loan to value of 86%.
- The capture rate and absorption rate are 3.68% and 8 months (16 units per month), respectively. The capture rates and absorption rates differ from those of the market study due to the wider range of projects surveyed by the appraisal. The Project is expected to achieve 3-months of stabilization required to close the CalHFA permanent loan within the 36-month rate lock period.

	Market Study:	Prepared by Novogradac Consulting LLP	Dated: 5/7/21

Regional Market Overview

- The Primary Market Area ("PMA") consists of the Town of Windsor and surrounding areas, including the communities of Mark West, Larkfield-Wikiup, and Fulton, and the northwestern portion of Santa Rosa (population of 87,421 and the Secondary Market Area ("SMA") is Santa Rosa – Petaluma County MSA (population of 494,864).
- The general population in the PMA is anticipated to increase by 0.1% per year.
- Unemployment in the SMA is 5.5%, which evidences a strong employment area. The study did not include the unemployment rate for the PMA.
- Median home value in the PMA is $687,353. The median home value in the SMA is $664,600. Median home values in the PMA are about 3% higher than in the SMA.

Local Market Area Analysis

- **Supply:**
  - There are currently 27 family project(s) in the PMA, and all have occupancy percentages greater than 90% with long wait lists.
  - There are eight affordable projects in the pipeline and one under construction which is anticipated to complete in 2021.
- **Demand/Absorption:**

The project will need to capture 12.4% of the total demand for family units in the PMA. The affordable units are anticipated to lease up at a rate of 30 units per month and reach stabilized occupancy within 4 to 5 months of opening.

DEVELOPMENT SUMMARY

19.	Site Description	Requires Flood Insurance: ☐ Yes ☒ No

- The property is located on the north side of Shiloh Road with frontage on the southwest side of Old Redwood Highway, in the Town of Windsor, Sonoma County.
- The site is generally level and is mostly vacant; however, the southeastern portion of the site is partially improved with several occupied single-family homes in fair condition which will be demolished to allow for construction of the Project. The site measures approximately 4.39 acres and is generally irregular in shape.
- A relocation plan has been included for the project and $204,437 has been provided in the budget for relocation expenses.
- The site consists of three contiguous parcels that will be merged prior to start of construction.
- The site parcels are zoned Boulevard Mixed Use (“BMU”) and Medium Density Residential (“MDR”) respectively, which permits multifamily residential use.
- The subject is located in Flood Zone X (area of minimum flood hazard). Zone X is the area determined to be outside the 500-year flood and protected by levee from 100-year flood, therefore the Project will not be subject to flood insurance.

20.	Form of Site Control & Expiration Date

The developer, CRP Affordable Housing and Community Development, LLC, entered into two separate purchase and sale agreements for the three parcels that make up the site. CRP Affordable Housing and Community Development, LLC, and the owner of parcel one, Merner Land Company, Carl J. Merner, Trust, entered into a Purchase and Sale Agreement dated 11/04/2020 for an amount of $3,400,000. CRP Affordable Housing and Community Development, LLC and the owner of parcels two and three, Chartrand Family Living Trust, also entered into a Purchase and Sale Agreement dated 11/16/2020 for an amount of $650,000. The combined purchase price totaled $4,050,000.

21.	Current Ownership Entity of Record

Parcel one (6011 Old Redwood Highway) Title is currently vested in Merner Land Company as the fee owner.

Parcels two and three (6035-6050 Old Redwood Highway) Title is currently vested in The Chartland Family Living Trust as the fee owner.

22.	Environmental Review Findings	Dated: 1/26/21

- A Phase I Environmental Site Assessment performed by CBRE Inc., dated January 26, 2021 revealed no evidence of recognized environmental conditions. The study did identify the possible presence of asbestos containing material and lead-based paint due to the age of the single-family homes on the site. Based on the findings, no further investigation was recommended.
- A pre-demolition survey will be conducted to assess the possible contaminants on site and a remediation plan will also be provided for the Project.
- A NEPA review has been initiated and will be completed prior to closing which is projected to be February 1, 2022.

23.	Seismic	Requires Earthquake Insurance: ☐ Yes ☒ No

This new Project will be built to State and Town of Windsor Building Codes so no seismic review is required.

24.	Relocation	Requires Relocation: ☒ Yes ☐ Not Applicable

The Project contains two existing single-family residential rental dwellings which will be demolished during construction. The current site occupants will be permanently relocated to facilitate the proposed Project. The developer has prepared a project relocation plan that details the needs and characteristics of the current site occupants who will be displaced, primarily covering the lodging. The developer has budgeted $204,437 ($1,526 per unit) for relocation purposes during construction. The final relocation plan is subject to Town of Windsor’s approval.

PROJECT DETAILS

25.	**Residential Areas:**				
		Residential Square Footage:	126,566	**Residential Units per Acre:**	30.5
		Community Area Sq. Ftg:	41,161	**Total Parking Spaces:**	145
		Supportive Service Areas:	N/A	**Total Building Sq. Footage:**	167,727
26.	**Mixed-Use Project:** ☐ **Yes** ☒ **No**				
		Non-Residential Sq. Footage:	N/A	**Number of Lease Spaces:**	N/A
		Master Lease:	☐ **Yes** ☒ **No**	**Number of Parking Spaces:**	145
27.	**Construction Type:**	One three story building and one four story building, constructed of steel and wood framing, with surface parking spaces.			
28.	**Construction/Rehab Scope**	**Requires Demolition:** ☒ **Yes** ☐ **No**			

- The subject site is new construction.
- The locality requires certain offsite improvements that includes traffic control measures, utility improvements, street and sidewalk upgrades and erosion control mechanisms. Based on engineer estimates, the costs for the offsite improvements are $1,500,000, with a 33% contingency included of $500,000, for a total of $2,000,000 which will be paid by tax credit equity.
- Environmental remediation of contaminants outlined on section 22 above is included in the development budget in the estimated amount of $25,000.

29. Construction Budget Comments:

- CalHFA will require an independent review of the costs by a 3rd Party consultant prior to construction loan closing.
- The developer has established cost containment strategies, which are outlined in section 5 above.
- During construction, the cost of the offsite improvements required by the Town of Windsor entitlement conditions will be paid by tax credit equity during construction and permanent as follows:

Costs	**Construction**	**Permanent**
Offsite improvements:	$2,000,000	$2,000,000
Total Costs	**$2,000,000**	**$2,000,000**
Sources	**Construction**	**Permanent**
Tax Credit Equity	$2,000,000	$2,000,000
Total Sources	**$2,000,000**	**$2,000,000**

ADDITIONAL DEVELOPMENT/ PROJECT TEAM INFORMATION

30. Borrower Affiliated Entities

- Managing General Partner: Central Valley Coalition for Affordable Housing, a California limited liability company; 0.0049% interest
- Administrative General Partner: CRP Shiloh Terrace AGP, LLC, a California limited liability company; 0.0051% interest
  - Sole Member: CRP Affordable Housing and Community Development LLC, 100% interest
- Investor Limited Partner: CREA Shiloh Terrace (Federal & Solar Tax Credits); 99.99% interest
- Investor Limited Partner: Monarch Private Capital (State Tax Credits); 00.00% interest (certificated tax credits)

31. Developer/Sponsor

The Managing General Partner’s managing member is Central Valley Coalition for Affordable Housing or “The Coalition”, a California based entity established in 1989, by the Housing Authority of the County of Merced. The Coalition has worked closely with the neighboring cities of Merced and Turlock, having received funding for 20+ fiscal years to construct affordable multifamily projects. The Coalition is the managing general partner in partnerships that own and operate 269 properties, totaling over 17,000 units throughout California. They do not have any properties in the CalHFA portfolio, and this is their first experience with CalHFA.

The Administrative General Partner's managing member and developer for the project is CRP Affordable Housing and Community Development LLC. CRP Affordable Housing and Community Development LLC is a subsidiary of Castellan Real Estate Partners LLC which owns and operates over 2,000 units including many affordable, rent-restricted units. CRP Affordable Housing and Community Development has 12 affordable developments, totaling 1,028 units, all in the state of California. The developer does not currently have any projects in the CalHFA portfolio, however they have one MIP project in the CalHFA pipeline that is under construction and expects to close on CalHFA MIP loan by January 2022.

32.	**Management Agent**

The Project will be managed by Hyder Property Management Professionals, which has extensive experience in managing similar affordable housing projects in the area. The management agent currently manages 19 projects in the CalHFA portfolio, and all are performing as expected.

33.	**Service Provider**	**Required by TCAC or other funding source?** ☒ **Yes** ☐ **No**

Resident services will be provided by Central Valley Coalition for Affordable Housing ("CVCAH") who has extensive

experience providing resident services for LIHTC projects. Services will include adult education, health and wellness, skill building classes, and individualized health and wellness services and programs. Services will be provided on-site in the community room and there will be private offices dedicated for individual services. Per the MOU between CVCAH and the developer and borrower dated May 14, 20241, a minimum of 84 hours of services will be provided for $26,600 annually. The services budget is structured as a cost after mandatory debt service.

34.	**Contractor**	**Experienced with CalHFA?** ☐ **Yes** ☒ **No**

The general contractor is Highland PM, LLC which has extensive experience in constructing similar affordable housing projects in California, however, CalHFA does not currently have any experience with the general contractor. The general contractor does have one MIP project currently under construction that is progressing as expected. The locality is familiar with this general contractor and staff received positive feedback regarding the firm's current and prior performance from background and reference checks which implies that the general contractor will have the capacity and ability to complete the development within budget and on time.

35.	**Architect**	**Experienced with CalHFA?** ☒ **Yes** ☐ **No**

The architect is Hedgpeth Architects, which has extensive experience in designing and managing similar affordable housing projects in California through the locality's building permit process. The architect was involved in completing one project in CalHFA's portfolio and is currently involved in one CalHFA MIP project that is under construction.

36.	**Local Review via Locality Contribution Letter**

Staff sent a local contribution letter to the Town of Windsor on April 21, 2021 and have continuously followed up however a response has yet to be received. Staff will continue to follow up with the locality. Hence, the receipt of local support prior to construction loan closing has been added as a condition of approval.

EXHIBITS: Detailed Financial Analysis and applicable Term Sheets

PROJECT SUMMARY			**Final Commitment**
Acquisition, Rehab, Construction & Permanent Loans		**Project Number**	**21-020-A/X/N**

Project Full Name	Shiloh Terrace (fka Windsor Residences)	**Borrower Name:**	CRP Shiloh Terrace LP
Project Address	6011 Shiloh Road & 6035-6050 Old Windsor	**Managing GP:**	Central Valley Coalition for Affordable Housing
Project City		**Developer Name:**	CRP Aforable Housing and Community Development LLC
Project County	Sonoma	**Investor Name:**	Monarch Private Capital & CREA
Project Zip Code	95492	**Prop Management:**	Hyder Property Management Professionals, LLC
		Tax Credits:	4
Project Type:	Permanent Loan Only	**Total Land Area (acres):**	4.39
Tenancy/Occupancy:	Individuals/Families	**Residential Square Footage:**	126,566
Total Residential Units:	134	**Residential Units Per Acre:**	30.52
Total Number of Buildings:	2		
Number of Stories:	3 and 4	**Covered Parking Spaces:**	0
Unit Style:	Flat	**Total Parking Spaces:**	145
Elevators:	2		

Acq/Construction/Rehab Financing	Loan Amount ($)	Loan Fees	Loan Term (Mo.)	Amort. Period (Yr.)	Starting Interest Rate
JP Morgan Chase T/E Conduit	42,808,977	0.500%	25	--	1.950%
JP Morgan Chase- Taxable Conduit	12,215,488	0.500%	25	--	2.500%
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--	--	--	--	--	--
--	--	--	--	--	--
Solar Equity	186,027	--	--	--	--
Investor Equity Contribution	14,962,294	--	--	--	--

Permanent Financing	Loan Amount ($)	Loan Fees	Loan Term (Yr.)	Amort. Period (Yr.)	Starting Interest Rate
Perm	27,080,000	1.000%	17	40	4.190%
MIP	3,900,000	1.000%	17	17	2.000%
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--	--	--	--		--
--	--	--	--	--	--
Deferred Developer Fees	6,645,059	NA	NA	NA	NA
Solar Equity	465,067	NA	NA	NA	NA
Investor Equity Contributions	41,517,566	NA	NA	NA	NA

Appraised Values Upon Completion of Rehab/Construction

Appraisal Date:	9/7/21	**Capitalization Rate:**	5.00%
Investment Value ($)	73,790,000	**Restricted Value ($)**	31,630,000
Construct/Rehab LTC	N/A	**CalHFA Permanent Loan to Cost**	34%
Construct/Rehab LTV	N/A	**CalHFA 1st Permanent Loan to Value**	86%
		Combined CalHFA Perm Loan to Value	98%

Additional Loan Terms, Conditions & Comments

Construction/Rehab Loan

Payment/Performance Bond	Required	
Completion Guarantee Letter of Credit	N/A	

Permanent Loan

Operating Expense Reserve Deposit	$1,135,542	Cash
Initial Replacement Reserve Deposit	$0	Cash
Annual Replacement Reserve Per Unit	$250	Cash

Date Prepared: 10/12/21 Senior Staff Date: 10/28/21

UNIT MIX AND RENT SUMMARY **Final Commitment**

Shiloh Terrace (fka Windsor Residences) **Project Number 21-020-A/X/N**

PROJECT UNIT MIX					
Unit Type of Style	Number of Bedrooms	Number of Baths	Average Size (Sq. Ft.)	Number of Units	Est. No. of Tenants
Flat	2	1	721	6	18
Flat	3	2	955	128	576
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
-	-	-	-	-	0
				134	594

NUMBER OF UNITS AND PERCENTAGE OF AMI RENTS RESTRICTED BY EACH AGENCY							
Agency	Number of Units Restricted For Each AMI Category						
	30%	40%	50%	60%	70%	120%	200%
CalHFA Bond/HUD-RS	0	0	14	41	0	0	0
CalHFA MIP	0	0	14	0	14	105	0
TCAC	14	0	14	49	56	0	0
f Windsor Density Bonus Agr	0	0	21	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0
-	0	0	0	0	0	0	0

COMPARISON OF AVERAGE MONTHLY RESTRICTED RENTS TO AVERAGE MARKET RENTS							
Unit Type	Restricting Agency	% of Area Median Income	Average Restricted Rents: Number of Units	Average Restricted Rents: Unit Rent	Average Market Rents	Average Monthly Savings	% of Market Rents
Studios	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
1 Bedroom	CTCAC	30%	-	-	$0	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
2 Bedrooms	CTCAC	30%	1	$764	$2,228	$1,464	34%
	CTCAC	50%	1	$764		$1,464	34%
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	3	$764		$1,464	34%
	CTCAC	70%	-	-		-	-
	CTCAC	70%	1	$1,811		$417	81%
3 Bedrooms	CTCAC	30%	13	$885	$2,645	$1,760	33%
	CTCAC	50%	-	-		-	-
	CTCAC	50%	13	$1,490		$1,155	56%
	CTCAC	60%	49	$1,793		$852	68%
	CTCAC	70%	1	$1,339		$1,306	51%
	CTCAC	70%	12	$1,490		$1,155	56%
	CTCAC	70%	13	$2,095		$550	79%
4 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	26	$1,793		$852	68%
	CTCAC	70%	-	-		-	-
5 Bedrooms	CTCAC	30%	-	-	-	-	-
	CTCAC	50%	-	-		-	-
	CTCAC	50%	-	-		-	-
	CTCAC	60%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
	CTCAC	70%	-	-		-	-
Date Prepared:	10/12/21					Senior Staff Date:	10/28/21

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
SOURCES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT SOURCES OF FUNDS		
	$	$	SOURCES ($)	PER UNIT ($)	%
JP Morgan Chase T/E Conduit	42,808,977				0.0%
JP Morgan Chase- Taxable Conduit	12,215,488				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
-	-				0.0%
Solar Equity	186,027				0.0%
Construct/Rehab Net Oper. Inc.	-				0.0%
Deferred Developer Fee	-				0.0%
Developer Equity Contribution	-				0.0%
Investor Equity Contribution	14,962,294				0.0%
Perm		27,080,000	27,080,000	202,090	34.0%
MIP		3,900,000	3,900,000	29,104	4.9%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
-		-	-	-	0.0%
Solar Equity		465,067	465,067	3,471	0.6%
-		-	-	-	0.0%
-		-	-	-	0.0%
Construct/Rehab Net Oper. Inc.		-	-	-	0.0%
Deferred Developer Fees		6,645,059	6,645,059	49,590	8.3%
Developer Equity Contribution		-	-	-	0.0%
Investor Equity Contributions		41,517,566	41,517,566	309,833	52.2%
TOTAL SOURCES OF FUNDS	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**
TOTAL USES OF FUNDS (BELOW)	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**
FUNDING SURPLUS (DEFICIT)	**0**	**-**	**0**		

USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
CONSTRUCTION/REHAB SOURCES OF FUNDS		**70,172,786**			
ACQUISITION COSTS					
Lesser of Land Cost or Appraised Value	4,050,000	-	4,050,000	30,224	5.1%
Demolition Costs	-	-	-	-	0.0%
Legal & Other Closing Costs	-	-	-	-	0.0%
Escrow & other closing costs	-	-	-	-	0.0%
Verifiable Carrying Costs	-	-	-	-	0.0%
Existing Improvements Value	-	-	-	-	0.0%
Delinquent Taxes Paid @ Closing	-	-	-	-	0.0%
CalHFA Yield Maintenance Paid @ Closing	-	-	-	-	0.0%
Existing Replacement Reserve	-	-	-	-	0.0%
Broker Fees Paid to Related Party	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL ACQUISITION COSTS	**4,050,000**	**-**	**4,050,000**	**30,224**	**5.1%**
CONSTRUCTION/REHAB COSTS					
Offsite Improvements	1,500,000	-	1,500,000	11,194	1.9%
Environmental Remediation (Hard Costs)	25,000	-	25,000	187	0.0%
Site Work (Hard Cost)	3,048,000	-	3,048,000	22,746	3.8%
Structures (Hard Cost)	36,394,035	-	36,394,035	271,597	45.7%
General Requirements	1,658,681	-	1,658,681	12,378	2.1%
Contractor Overhead	2,488,022	-	2,488,022	18,567	3.1%
Contractor Profit	1,658,681	-	1,658,681	12,378	2.1%
Contractor Bond	945,448	-	945,448	7,056	1.2%
Contractor Liability Insurance	709,086	-	709,086	5,292	0.9%
Personal Property	-	-	-	-	0.0%
HVAC/Resident Damage	-	-	-	-	0.0%
TOTAL CONSTRUCT/REHAB COSTS	**48,426,953**	**-**	**48,426,953**	**361,395**	**60.8%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number		21-020-A/X/N
USES OF FUNDS	CONST/REHAB $	PERMANENT $	TOTAL PROJECT USES OF FUNDS		
			USES ($)	PER UNIT ($)	%
RELOCATION COSTS					
Relocation Expense	204,437	-	204,437	1,526	0.3%
Relocation Compliance Monitoring	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL RELOCATION COSTS	**204,437**	**-**	**204,437**	**1,526**	**0.3%**
ARCHITECTURAL FEES					
Design	1,043,000	-	1,043,000	7,784	1.3%
Landscape Arch & Energy Consultant	117,000	-	117,000	873	0.1%
TOTAL ARCHITECTURAL FEES	**1,160,000**	**-**	**1,160,000**	**8,657**	**1.5%**
SURVEY & ENGINEERING FEES					
Engineering	670,300	-	670,300	5,002	0.8%
Supervision	-	-	-	-	0.0%
ALTA Land Survey	-	-	-	-	0.0%
TOTAL SURVEY & ENGINEERING FEES	670,300	-	670,300	5,002	0.8%
CONTINGENCY RESERVES					
Hard Cost Contingency Reserve	2,946,348	-	2,946,348	21,988	3.7%
Soft Cost Contingency Reserve	219,615	-	219,615	1,639	0.3%
TOTAL CONTINGENCY RESERVES	3,165,963	-	3,165,963	23,627	4.0%
CONSTRUCT/REHAB PERIOD COSTS					
Loan Interest Reserve					
JP Morgan Chase T/E Conduit	2,472,777	-	2,472,777	18,454	0.031062
JP Morgan Chase- Taxable Conduit	-	-	-	-	0
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Loan Fees					
JP Morgan Chase T/E Conduit	214,045	-	214,045	1,597	0.3%
JP Morgan Chase- Taxable Conduit	61,077	-	61,077	456	0.1%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Other Const/Rehab Period Costs					
Deficit Const/Rehab NOI (Net Operating In	-	-	-	-	0.0%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Owner Paid Bonds/Insurance	-	-	-	-	0.0%
CalHFA Inspection Fees	12,500	-	12,500	93	0.0%
Real Estate Taxes During Rehab	25,714	-	25,714	192	0.0%
Completion Guaranty Fee	-	-	-	-	0.0%
Wage Monitoring Fee (Davis Bacon, Preva	-	-	-	-	0.0%
Insurance During Rehab	587,123	-	587,123	4,382	0.7%
Title & Recording Fees	60,000	-	60,000	448	0.1%
Construction Management & Testing	240,000	-	240,000	1,791	0.3%
Predevelopment Interest Expense	175,000	-	175,000	1,306	0.2%
Bond Issuer Fee	55,012	-	55,012	411	0.1%
Other: Lender Insp Fees, Acct Admin, Misc	40,000	-	40,000	299	0.1%
TOTAL CONST/REHAB PERIOD COSTS	**3,943,248**	**-**	**3,943,248**	**29,427**	**5.0%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
PERMANENT LOAN COSTS					
Loan Fees					
CalHFA Application Fee	5,000	-	5,000	37	0.0%
Perm	135,400	135,400	270,800	2,021	0.3%
MIP	19,500	19,500	39,000	291	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
-	-	-	-	-	0.0%
Permanent Loan Cost of Issuance Fee	55,000	55,000	110,000	821	0.1%
Credit Enhancement & Application Fees	-	-	-	-	0.0%
Title & Recording (closing costs)	-	10,000	10,000	75	0.0%
Year 1 - Taxes & Special Assessments and Insura	-	-	-	-	0.0%
CalHFA Fees	-	10,085	10,085	75	0.0%
Tax Exempt Bond Allocation Fee	-	-	-	-	0.0%
Other (Specify): Bond Issuer Fees	21,405	-	21,405	160	0.0%
TOTAL PERMANENT LOAN COSTS	**236,305**	**229,985**	**466,290**	**3,480**	**0.6%**
LEGAL FEES					
CalHFA Construction/Rehab Loan Legal Fees	-	-	-	-	0.0%
Other Construction/Rehab Loan Legal Fees	50,000	-	50,000	373	0.1%
CalHFA Permanent Loan Legal Fees	17,500	17,500	35,000	261	0.0%
Other Permanent Loan Legal Fees	-	-	-	-	0.0%
Sponsor Legal Fees	75,000	-	75,000	560	0.1%
Organizational Legal Fees	-	-	-	-	0.0%
Syndication Legal Fees	50,000	-	50,000	373	0.1%
Borrower Legal Fee	25,000	-	25,000	187	0.0%
CalHFA Bond Counsel	62,000	-	62,000	463	0.1%
TOTAL LEGAL FEES	**279,500**	**17,500**	**297,000**	**2,216**	**0.4%**
OPERATING RESERVES					
Operating Expense Reserve Deposit	-	1,135,542	1,135,542	8,474	1.4%
Initial Replacement Reserve Deposit	-	-	-	-	0.0%
Transition Operating Reserve Deposit	-	-	-	-	0.0%
Rent-Up Reserve Deposit	-	-	-	-	0.0%
HOME Program Replacement Reserve	-	-	-	-	0.0%
Investor Required Reserve	-	11,950	11,950	89	0.0%
Other (Specify)	-	-	-	-	0.0%
TOTAL OPERATING RESERVES	**-**	**1,147,492**	**1,147,492**	**8,563**	**1.4%**
REPORTS & STUDIES					
Appraisal Fee	20,000	-	20,000	149	0.0%
Market Study Fee	10,000	-	10,000	75	0.0%
Physical Needs Assessment Fee	-	-	-	-	0.0%
Environmental Site Assessment Reports	55,000	-	55,000	410	0.1%
HUD Risk Share Environmental / NEPA Review F	-	-	-	-	0.0%
CalHFA Earthquake Waiver Review Fee	10,000	-	10,000	75	0.0%
Relocation Consultant	-	-	-	-	0.0%
Soils Reports	-	-	-	-	0.0%
Acoustical Reports	-	-	-	-	0.0%
Termite/Dry Rot	-	-	-	-	0.0%
Consultant/Processing Agent	-	-	-	-	0.0%
Other (Specify); other reports	48,831	-	48,831	364	0.1%
TOTAL REPORTS & STUDIES	**143,831**	**-**	**143,831**	**1,073**	**0.2%**

SOURCES & USES OF FUNDS					Final Commitment
Shiloh Terrace (fka Windsor Residences)			Project Number	21-020-A/X/N	
USES OF FUNDS	CONST/REHAB	PERMANENT	TOTAL PROJECT USES OF FUNDS		
	$	$	USES ($)	PER UNIT ($)	%
OTHER COSTS					
TCAC Application, Allocation & Monitor Fees	94,165	-	94,165	703	0.1%
CDLAC Fees	19,259	-	19,259	144	0.0%
Local Permits & Fees	335,000	-	335,000	2,500	0.4%
Local Impact Fees	5,880,553	-	5,880,553	43,885	7.4%
Other Local Fees	-	-	-	-	0.0%
Syndicator/Investor Fees & Expenses	-	-	-	-	0.0%
Furnishings	25,000	-	25,000	187	0.0%
Accounting & Audits	-	15,000	15,000	112	0.0%
Advertising & Marketing Expenses	30,000	8,000	38,000	284	0.0%
Financial Consulting	60,000	-	60,000	448	0.1%
Miscellaneous Administrative Fees	-	-	-	-	0.0%
HUD Risk Share Insurance (First Year Prepaid)	-	-	-	-	0.0%
Other (Specify)	-	-	-	-	0.0%
Other (Specify): MGP Services Fee	25,000	-	25,000	187	0.0%
TOTAL OTHER COSTS	**6,468,977**	**23,000**	**6,491,977**	**48,448**	**8.2%**
SUBTOTAL PROJECT COSTS	**68,749,514**	**71,590,763**	**70,167,491**	**523,638**	**88.1%**
DEVELOPER FEES & COSTS					
Developer Fees, Overhead & Profit	1,423,272	8,016,929	9,440,201	70,449	11.9%
Consultant Processing Agent	-	-	-	-	0.0%
Project Administration	-	-	-	-	0.0%
Syndicator Consultant Fees	-	-	-	-	0.0%
Guarantee Fees	-	-	-	-	0.0%
Construction Oversight & Management	-	-	-	-	0.0%
Other Adminstration Fees	-	-	-	-	0.0%
Other (Specify) correction to balance	-	-	-	-	0.0%
CASH EQUITY OUT TO DEVELOPER	-	-	-	-	0.0%
TOTAL DEVELOPER FEES & COSTS	**1,423,272**	**8,016,929**	**9,440,201**	**70,449**	**11.9%**
TOTAL PROJECT COSTS	**70,172,786**	**79,607,692**	**79,607,692**	**594,087**	**100.0%**

PROJECTED INITIAL ANNUAL RENTAL OPERATING BUDGET			Final Commitment
Shiloh Terrace (fka Windsor Residences)	**Project Number**		**21-020-A/X/N**
INCOME	**AMOUNT**	**PER UNIT**	**%**
Rental Income			
Restricted Unit Rents	$ 2,609,709	$ 19,475	104.49%
Unrestricted Unit Rents	-	-	0.00%
Commercial Rents	-	-	0.00%
Rental & Operating Subsidies			
Project Based Rental Subsidy	-	-	0.00%
Other Project Based Subsidy	-	-	0.00%
Income during renovations	-	-	0.00%
Other Subsidy (Specify)	-	-	0.00%
Other Income			
Laundry Income	19,294	144	0.77%
Parking & Storage Income	-	-	0.00%
Miscellaneous Income	-	-	0.00%
GROSS POTENTIAL INCOME (GPI)	**$ 2,629,004**	**$ 19,619**	**105.26%**
Less: Vacancy Loss	**$ 131,450**	**$ 981**	**5.26%**
EFFECTIVE GROSS INCOME (EGI)	**$ 2,497,554**	**$ 20,600**	**100.00%**
OPERATING EXPENSES	**AMOUNT**	**PER UNIT**	**%**
Administrative Expenses	$ 97,320	$ 726	$ 0
Management Fee	96,481	720	3.86%
Social Programs & Services	2,700	20	0.11%
Utilities	203,000	1,515	8.13%
Operating & Maintenance	292,250	2,181	11.70%
Ground Lease Payments	-	-	0.00%
CalHFA Monitoring Fee	7,500	56	0.30%
Other Monitoring Fees	-	-	0.00%
Real Estate Taxes	21,486	160	0.86%
Other Taxes & Insurance	120,064	896	4.81%
Assisted Living/Board & Care	-	-	0.00%
SUBTOTAL OPERATING EXPENSES	**$ 840,801**	**$ 6,275**	**33.66%**
Replacement Reserve	$ 33,500	$ 250	1.34%
TOTAL OPERATING EXPENSES	**$ 874,301**	**$ 6,525**	**35.01%**
NET OPERATING INCOME (NOI)	**$ 1,623,253**	**$ 12,114**	**64.99%**
DEBT SERVICE PAYMENTS	**AMOUNT**	**PER UNIT**	**%**
Perm	$ 1,396,784	$ 10,424	55.93%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
-	$ -	-	0.00%
MIP Annual Fee (applicable for MIP only deals)	$ -	-	0.00%
TOTAL DEBT SERVICE & OTHER PAYMENTS	**$ 1,396,784**	**$ 10,424**	**55.93%**
EXCESS AFTER DEBT SERVICE & MONITORING FEES	**$ 226,469**	**$ 1,690**	**9.07%**
DEBT SERVICE COVERAGE RATIO (DSCR)	**$ 1 to 1**		
Date: 10/12/21		Senior Staff Date:	10/28/21

PROJECTED PERMANENT LOAN CASH FL0WS										Shiloh Terrace (fka Windsor Residences)		
Final Commitment										Project Number	21-020-A/X/N	
	YEAR	1	2	3	4	5	6	7	8	9	10	11
RENTAL INCOME	**CPI**											
Restricted Unit Rents	2.50%	2,609,709	2,674,952	2,741,826	2,810,372	2,880,631	2,952,647	3,026,463	3,102,124	3,179,678	3,259,170	3,340,649
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	2.50%	19,294	19,777	20,271	20,778	21,297	21,830	22,376	22,935	23,508	24,096	24,698
Parking & Storage Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**2,629,004**	**2,694,729**	**2,762,097**	**2,831,150**	**2,901,928**	**2,974,477**	**3,048,838**	**3,125,059**	**3,203,186**	**3,283,266**	**3,365,347**
VACANCY ASSUMPTIONS	**Vacancy**											
Restricted Unit Rents	5.00%	130,485	133,748	137,091	140,519	144,032	147,632	151,323	155,106	158,984	162,958	167,032
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-	-	-	-	-	-
Laundry Income	5.00%	965	989	1,014	1,039	1,065	1,091	1,119	1,147	1,175	1,205	1,235
Parking & Storage Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**131,450**	**134,736**	**138,105**	**141,557**	**145,096**	**148,724**	**152,442**	**156,253**	**160,159**	**164,163**	**168,267**
EFFECTIVE GROSS INCOME (EGI)		**2,497,554**	**2,559,993**	**2,623,992**	**2,689,592**	**2,756,832**	**2,825,753**	**2,896,397**	**2,968,806**	**3,043,027**	**3,119,102**	**3,197,080**
OPERATING EXPENSES	**CPI / Fee**											
Administrative Expenses	3.50%	100,020	103,521	107,144	110,894	114,775	118,792	122,950	127,253	131,707	136,317	141,088
Management Fee	3.86%	96,480	98,893	101,365	103,899	106,496	109,159	111,888	114,685	117,552	120,491	123,503
Utilities	3.50%	203,000	210,105	217,459	225,070	232,947	241,100	249,539	258,273	267,312	276,668	286,352
Operating & Maintenance	3.50%	292,250	302,479	313,066	324,023	335,364	347,101	359,250	371,824	384,837	398,307	412,247
Ground Lease Payments	3.50%	-	-	-	-	-	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	1.25%	21,486	21,755	22,027	22,302	22,581	22,863	23,149	23,438	23,731	24,028	24,328
Other Taxes & Insurance	3.50%	120,064	124,266	128,616	133,117	137,776	142,598	147,589	152,755	158,101	163,635	169,362
Required Reserve Payments	1.00%	33,500	33,835	34,173	34,515	34,860	35,209	35,561	35,917	36,276	36,638	37,005
TOTAL OPERATING EXPENSES		**874,300**	**902,353**	**931,348**	**961,319**	**992,299**	**1,024,323**	**1,057,426**	**1,091,644**	**1,127,017**	**1,163,584**	**1,201,385**
NET OPERATING INCOME (NOI)		**1,623,253**	**1,657,640**	**1,692,644**	**1,728,273**	**1,764,532**	**1,801,430**	**1,838,971**	**1,877,162**	**1,916,010**	**1,955,518**	**1,995,695**
DEBT SERVICE PAYMENTS	**Lien #**											
Perm	1	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**
CASH FLOW AFTER DEBT SERVICE		**226,470**	**260,856**	**295,860**	**331,489**	**367,749**	**404,646**	**442,187**	**480,379**	**519,226**	**558,735**	**598,911**
DEBT SERVICE COVERAGE RATIO		**1.16**	**1.19**	**1.21**	**1.24**	**1.26**	**1.29**	**1.32**	**1.34**	**1.37**	**1.40**	**1.43**
Date Prepared:	10/12/21									Senior Staff Date:	10/28/21	
		1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
Less Supportive services Costs	0%	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600	26,600
LESS: Asset Management Fee	3.5%	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814	7,053
LESS: Partnership Management Fee	3.0%	13,400	13,802	14,216	14,643	15,082	15,534	16,000	16,480	16,975	17,484	18,008
net CF available for distribution		**181,470**	**215,279**	**249,688**	**284,703**	**320,329**	**356,574**	**393,441**	**430,937**	**469,067**	**507,836**	**547,250**
Deferred developer fee repayment	6,645,059	6,645,059	6,463,589	6,248,310	5,998,622	5,713,919	5,393,590	5,037,016	4,643,575	4,212,638	3,743,571	3,235,735
	100%	181,470	215,279	249,688	284,703	320,329	356,574	393,441	430,937	469,067	507,836	547,250
		6,463,589	6,248,310	5,998,622	5,713,919	5,393,590	5,037,016	4,643,575	4,212,638	3,743,571	3,235,735	2,688,485
Payments for Residual Receipt Payments		*0%*										
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	-	-	-	-	-	-	-
MIP	*100.00%*	-	-	-	-	-	-	-	-	-	-	-
Total Residual Receipts Payments	**100.00%**	**-**	-	-	-	-	-	-	-	-	-	-
Balances for Residual Receipt Payments												
RESIDUAL RECEIPTS LOANS	*Interest Rate*											
MIP---Simple	*2.00%*	3,900,000	3,978,000	4,056,000	4,134,000	4,212,000	4,290,000	4,368,000	4,446,000	4,524,000	4,602,000	4,680,000
Total Residual Receipts Payments		**3,900,000**	3,978,000	4,056,000	4,134,000	4,212,000	4,290,000	4,368,000	4,446,000	4,524,000	4,602,000	4,680,000

PROJECTED PERMANENT LOAN CASH FL0WS							
Final Commitment							
	YEAR	**12**	**13**	**14**	**15**	**16**	**17**
RENTAL INCOME	**CPI**						
Restricted Unit Rents	2.50%	3,424,165	3,509,769	3,597,513	3,687,451	3,779,637	3,874,128
Unrestricted Unit Rents	2.50%	-	-	-	-	-	-
Commercial Rents	2.00%	-	-	-	-	-	-
Project Based Rental Subsidy	1.50%	-	-	-	-	-	-
Other Project Based Subsidy	1.50%	-	-	-	-	-	-
Income during renovations	0.00%	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-
Laundry Income	2.50%	25,316	25,949	26,598	27,262	27,944	28,643
Parking & Storage Income	2.50%	-	-	-	-	-	-
Miscellaneous Income	2.50%	-	-	-	-	-	-
GROSS POTENTIAL INCOME (GPI)		**3,449,481**	**3,535,718**	**3,624,111**	**3,714,714**	**3,807,581**	**3,902,771**
VACANCY ASSUMPTIONS	**Vacancy**						
Restricted Unit Rents	5.00%	171,208	175,488	179,876	184,373	188,982	193,706
Unrestricted Unit Rents	7.00%	-	-	-	-	-	-
Commercial Rents	50.00%	-	-	-	-	-	-
Project Based Rental Subsidy	5.00%	-	-	-	-	-	-
Other Project Based Subsidy	3.00%	-	-	-	-	-	-
Income during renovations	20.00%	-	-	-	-	-	-
Other Subsidy (Specify)	0.00%	-	-	-	-	-	-
Laundry Income	5.00%	1,266	1,297	1,330	1,363	1,397	1,432
Parking & Storage Income	50.00%	-	-	-	-	-	-
Miscellaneous Income	50.00%	-	-	-	-	-	-
TOTAL PROJECTED VACANCY LOSS		**172,474**	**176,786**	**181,206**	**185,736**	**190,379**	**195,139**
EFFECTIVE GROSS INCOME (EGI)		**3,277,007**	**3,358,932**	**3,442,905**	**3,528,978**	**3,617,202**	**3,707,632**
OPERATING EXPENSES	**CPI / Fee**						
Administrative Expenses	3.50%	146,026	151,137	156,427	161,902	167,568	173,433
Management Fee	3.86%	126,591	129,756	132,999	136,324	139,733	143,226
Utilities	3.50%	296,374	306,747	317,483	328,595	340,096	351,999
Operating & Maintenance	3.50%	426,676	441,610	457,066	473,063	489,621	506,757
Ground Lease Payments	3.50%	-	-	-	-	-	-
CalHFA Monitoring Fee	0.00%	7,500	7,500	7,500	7,500	7,500	7,500
Other Agency Monitoring Fee	0.00%	-	-	-	-	-	-
Real Estate Taxes	1.25%	24,632	24,940	25,252	25,567	25,887	26,211
Other Taxes & Insurance	3.50%	175,290	181,425	187,775	194,347	201,149	208,189
Required Reserve Payments	1.00%	37,375	37,749	38,126	38,507	38,892	39,281
TOTAL OPERATING EXPENSES		**1,240,464**	**1,280,863**	**1,322,628**	**1,365,806**	**1,410,446**	**1,456,597**
NET OPERATING INCOME (NOI)		**2,036,543**	**2,078,069**	**2,120,277**	**2,163,172**	**2,206,756**	**2,251,036**
DEBT SERVICE PAYMENTS	**Lien #**						
Perm	1	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784	1,396,784
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
MIP Annual Fee (applicable for MIP only deals)	-	-	-	-	-	-	-
TOTAL DEBT SERVICE & OTHER PAYMENTS		**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**	**1,396,784**
CASH FLOW AFTER DEBT SERVICE		**639,760**	**681,285**	**723,494**	**766,388**	**809,973**	**854,252**
DEBT SERVICE COVERAGE RATIO		**1.46**	**1.49**	**1.52**	**1.55**	**1.58**	**1.61**
Date Prepared:	10/12/21						
		12	**13**	**14**	**15**	**16**	**17**
Less Supportive services Costs	0%	26,600	26,600	26,600	26,600	26,600	26,600
LESS: Asset Management Fee	3.5%	7,300	7,555	7,820	8,093	8,377	8,670
LESS: Partnership Management Fee	3.0%	18,549	19,105	19,678	20,269	20,877	21,503
net CF available for distribution		**587,311**	**628,025**	**669,395**	**711,426**	**754,119**	**797,479**
Deferred developer fee repayment	6,645,059	2,688,485	2,101,174	1,473,149	803,754	-	-
	100%	587,311	628,025	669,395	711,426	-	-
		2,101,174	1,473,149	803,754	92,328	-	-
Payments for Residual Receipt Payments						*50%*	
RESIDUAL RECEIPTS LOANS	*Payment %*	-	-	-	-	377,060	398,739
MIP	*100.00%*	-	-	-	-	377,060	398,739
Total Residual Receipts Payments	**100.00%**	-	-	-	-	**377,060**	**398,739**
Balances for Residual Receipt Payments							
RESIDUAL RECEIPTS LOANS	*Interest Rate*						
MIP---Simple	*2.00%*	4,758,000	4,836,000	4,914,000	4,992,000	5,070,000	4,770,940
Total Residual Receipts Payments		4,758,000	4,836,000	4,914,000	4,992,000	5,070,000	4,770,940

TAX-EXEMPT PERMANENT LOAN PROGRAM

CalHFA's Tax-Exempt Permanent Loan Program ("Perm Loan") provides competitive tax-exempt long-term financing for affordable multifamily rental housing Projects. Eligible projects include newly constructed or acquisition/rehabilitation developments that provide affordable housing opportunities for individuals, families, seniors, veterans, and special needs tenants ("Project").

Qualifications	• Available to for-profit, non-profit, and public agency sponsors. • Tax-exempt bond authority must be obtained from the California Debt Limit Allocation Committee (CDLAC) or through a 501(c)(3) exemption. • The Tax-Exempt Permanent Loan may be used with or without 4% low income housing tax credits. • If a lender other than CalHFA is providing short-term, first-lien debt, CalHFA shall be used as the bond issuer (for more information, review the Conduit Issuer Program Term Sheet). • For Section 8 Projects, a final commitment is conditioned upon review and acceptance by CalHFA of the HAP or AHAP contract. • The Perm Loan will be credit-enhanced through CalHFA's HUD/FHA Risk Sharing Program. • For existing CalHFA portfolio loans, the current owner is required to pay off all outstanding CalHFA debt. Visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Loan Amount	• Minimum Perm Loan amount of $5,000,000. • Minimum 1.15x for initial debt service coverage ratio (include any financing with amortizing debt) and minimum of 1.05x for the term of the Perm Loan. • Lesser of 90% of restricted value or 100% of development costs. For Projects with equity being cashed out, the Perm Loan amount will be restricted to no more than 80% of the restricted value.
Fees (subject to change)	• Application Fee: $10,000 non-refundable, due at time of application submittal, and is credited toward the CalHFA Legal Fee at Perm Loan closing. • Perm Loan Fee: 1.00%, half due at final commitment, with balance due at Perm Loan closing. • Cost of Issuance Fee: $110,000, half due at final commitment, with balance due at Perm Loan Closing. • Credit Enhancement Fee: included in the interest rate. • Annual Administrative Fee: $7,500 annually (not to be duplicated if used in conjunction with CalHFA's Conduit Program). • Inspection fees should be estimated at $500 per month for the term of the construction (reports and fees can be shared with other construction lenders) • Legal Fee: $35,000, half due at final commitment, with balance due at Perm Loan closing. • Administrative Fee: $1,000 at Perm Loan closing. • Letter of Interest Fee: $5,000 at LOI request, and is credited toward the CalHFA Perm Loan Fee See CalHFA standard Conduit Issuer Program Term Sheet for information on conduit issuance fees.

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TAX-EXEMPT PERMANENT LOAN PROGRAM

Rate & Terms (subject to change)	Interest Rate: • 17-Year Balloon Loans: 15-Year "AAA" Municipal Market Data (MMD) plus CalHFA spread • 30-Year Balloon and Fully Amortizing Loans: 30-Year "AAA" MMD plus CalHFA spread • Estimated CalHFA Spread: 2.00% to 3.00% • Rate may be locked up to 30 days prior to the construction loan closing. Rate may be locked for the term of the construction period, not to exceed 3 years. Amortization/Term: • Amortization: Up to 40 Year Amortization • Term: Fully Amortizing, and 17- or 30-Year Balloons available[1] • Perm Loan Reduction: up to 10% reduction at Perm Loan closing permitted at no cost. • Up to two, three-month extension(s) permitted upon payment of a fee equal to 0.25% of the Perm Loan amount for each three-month extension. • Breakage Fee (if applicable): due between construction loan closing and Perm Loan closing and calculated based on hedge termination cost. 1. Balloon loans subject to agency approved exit strategy.
Loan Closing Requirements	• 90% stabilized rental housing occupancy for 90 days as evidenced by rent rolls. • 90% of tax credit investor equity shall have been paid into the Project. • Project income is sufficient to pay operating expenses, required debt service, reserves and monitoring fees. • For mixed-use Projects, 100% non-residential occupancy as evidenced by executed leases or guarantees. • Deposit Account Control Agreement between CalHFA, the Borrower and lending institution is in form and substance acceptable to all parties and ready to be executed at Perm Loan closing.
Prepayment	The Perm Loan may be prepaid at par after 15 years of the Perm Loan period. However, the Perm Loan may be prepaid after 10 years of the Perm Loan period subject to a yield maintenance calculation of: • 5% of the principal balance after the end of year 10 • 4% of the principal balance after the end of year 11 • 3% of the principal balance after the end of year 12 • 2% of the principal balance after the end of year 13 • 1% of the principal balance after the end of year 14 All prepayments require a prior written 120-day notice to CalHFA.
Subordinate Financing	Financing or grants are encouraged from local governments and third parties to achieve project feasibility. All financing, leases, development and regulatory agreements must be coterminous (or have a longer term than the combined terms of any CalHFA Acq/Rehab Loan and Perm Loan) and be subordinate to CalHFA financing. A Lien Priority/Position Estoppel in form and substance acceptable to CalHFA will be required prior to construction financing closing, if applicable.

Occupancy Requirements	Must maintain the greater of (A) existing affordability restrictions, or (B) either (i) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area (county) median gross income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (ii) 40% or more of the units must be both rent restricted and occupied by individuals whose income is 60% or less of the AMI, with adjustments for household size ("40% @ 60% AMI"): however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI ("10% @ 50% AMI"). CalHFA's regulated units must represent a comparable share of the available unit sizes (by bedroom count and square feet) and be disbursed throughout the project.
Due Diligence	The following due diligence is required to be provided at the Owner/Borrower's expense (refer to the program's document checklist for a full list): • Appraisal* (a construction lender's appraisal may be acceptable). • HUD-2530 previous participation clearance. • Construction Costs Review for new construction loans (other construction lender's review is acceptable). • Physical Needs Assessment* ("PNA") for rehabilitation projects with a Replacement Reserve Needs Analysis ("RRNA") over time for the first 20-year term (other lender's PNA/RRNA may be acceptable). • Phase I and Phase II (if applicable) Environmental Site Assessment* including, but not limited to, impact reviews that meet federal environmental requirements (such as historic preservation and noise remediation). • Market Study* satisfactory to CalHFA. • NEPA Review. • Termite/Dry Rot reports* by licensed company. • Seismic review* and other studies may be required at CalHFA's discretion. *Note: Third party reports shall be within 180 days prior to the CalHFA's final commitment approval and may be subject to a new or updated report if the report(s) was completed more than 180 days prior to construction loan closing, in CalHFA's sole discretion.
Required Impounds and Reserves	• Replacement Reserve: Initial cash deposit required for existing Projects with annual deposits between $250 and $500 per unit/per year depending on the Project type and PNA/RRNA findings. • Operating Expense Reserve ("OER"): 3-6 months of operating expenses, reserves, debt service, and monitoring fees due at Perm Loan closing (letter of credit or cash) and held for the life of the CalHFA Perm Loan by CalHFA. In the event OER funds are drawn down during the term of CalHFA Perm Loan, it must be replenished over a period of 12 months to the original level. • Impounds held by CalHFA: One year's prepaid earthquake, hazard and liability insurance premiums, and property tax assessments are collected at loan closing. An earthquake insurance waiver is available for Projects which have met CalHFA earthquake waiver standards during rehabilitation or construction. • Transition Operating Reserve (TOR): required for Projects with state or locally administered rental subsidy contracts with contract terms that are less than 20 years or the CalHFA Perm Loan term. • Other reserves as required (at CalHFA's discretion).

Last revised: 4/2021

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. This program description is subject to change from time to time without prior notice. The California Housing Finance Agency does not discriminate on any prohibited basis in employment or in the admission and access to its programs or activities. Not printed at taxpayer expense.

MIXED-INCOME LOAN PROGRAM

California Housing Finance Agency

The California Housing Finance Agency ("CalHFA" or "Agency") Mixed-Income Program ("MIP") provides competitive, long-term, subordinate financing for new construction multifamily housing projects restricting units (tax credit or CalHFA) between 30% and 120% of county Area Median Income ("AMI").

The MIP must be paired with CalHFA's Conduit Bond Issuance Program and a CalHFA Mixed-Income Qualified Construction Lender (defined below). Additionally, the program must be paired with CalHFA's Permanent Loan product. The MIP resources will take the form of a subordinate loan to incentivize newly developed multifamily housing projects that serve a range of extremely low to moderate income renters. Eligible projects must create newly constructed regulated units that meet the income and occupancy requirements reflected below.

Qualifications

APPLICATION:

Sponsors/developers must submit a complete application package which includes all items listed on the application, the application addendum and the checklist. Incomplete application packages will not be considered. The application and checklist can be found at www.calhfa.ca.gov/multifamily/mixedincome/. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated. If the sponsor/developer is not able to meet the readiness timeline referenced below, MIP funds may be rescinded and reallocated.

AVAILABILITY:

Available to for-profit, nonprofit, and public agency sponsors. Development teams must meet CalHFA experience requirements, as defined in the CalHFA Development Team Qualifications section below.

USES:

MIP Subsidy loans must be used in conjunction with CalHFA's Conduit Bond Issuance Program and a construction loan from a CalHFA Mixed-Income Qualified Construction Lender. MIP Subsidy loans must also be used in conjunction with CalHFA's permanent first-lien mortgage financing. CalHFA Mixed-Income Qualified Construction Lender is defined in the CalHFA Lender Qualifications section below.

FINANCING STRUCTURE:

Projects accessing the MIP Subsidy loan funds must be structured as one of the following:

1. Tax-exempt Bond and 4% tax credit project where at least 51% of the units in the project must be tax credit financed, OR
2. Qualified mixed-income project through income averaging pursuant to Internal Revenue Code Section 42 (g)(1)(C).

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Qualifications (continued)

READINESS:

Projects must have site control and be prepared to submit for a bond and tax credit allocation and will only receive funds if bonds are issued within the issuance timeframes specified in the California Debt Limit Allocation Committee's (CDLAC) Regulations Section 5100.

1. **Site:** The site must be ready for construction (all potential environmental issues have been identified, mitigation plan is in place, and costs associated with the mitigation plan have been incorporated in the development budget). Environmental issues may include, but not be limited to, receipt of clearances for CEQA, NEPA, and applicable tribal land environmental reviews. Pursuant to HUD-Risk Sharing requirements, sponsor is expected to start the NEPA process shortly after CalHFA verifies application completeness and determines that the project is ready to move forward with an initial commitment ("notification date"). The NEPA clearance and HUD's firm approval letter will be required prior to construction loan closing.
2. **General Contractor and/or Third Party Construction Services Engagement:** At the time of application, Applicant must provide evidence that the applicant or developer has engaged a general contractor or third-party construction services company to provide construction services including, but not limited to, value engineering, bid/budget services, and constructability review of plans and designs. In addition, the proposed construction budget is based on the general contractor's or third-party construction services company's preliminary bid estimates pursuant to the current plans and designs.
3. **Disposition and Development Agreement:** Applicant must provide a copy of the disposition and development agreement, if applicable.
4. **Construction Start:** All projects must commit to begin construction 180 days from the earlier of the date of the tax-exempt bond allocation or 4% federal/state tax credit reservation, unless an extension has been approved by California Tax Credit Allocation Committee (CTCAC), CDLAC, and CalHFA, as applicable. Within the 180-day period, the following items must be submitted to CalHFA in their final form:
    a. A complete updated application form along with a detailed explanation of any changes from the initial application,
    b. An executed construction contract,
    c. Recorded deeds of trust for all construction financing (unless a project's location on tribal trust land precludes this),
    d. Binding commitments for any other financing required to complete project construction,
    e. Copy of a limited partnership agreement executed by the general partner/sponsor and the investor limited partner/equity provider,
    f. Payment of all construction lender fees,
    g. Copies of buildings permits (a grading permit does not suffice to meet this requirement, except that in the event that the city or county as a rule does not issue building permits prior to the completion of grading, a grading permit shall suffice; if the project is a design build project in which the city or county does not issue building permits until designs are fully complete, the city or county shall have approved construction to begin) or the applicable tribal documents,
    h. Copy of the notice to proceed delivered to the contractor,
    i. If no construction lender is involved, evidence must be submitted within 180 days, as applicable, that the equity partner has been admitted to the ownership entity, and that an initial disbursement of funds has occurred,
    j. Other documentation and information required by CalHFA to close construction financing.

Qualifications (continued)

MIP ALLOCATION LIMITS:
(Exceptions may be considered by Agency in its sole discretion)

1. **Project Cap:** No project may receive more than the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $50,000 per MIP regulated units or up to $60,000 per MIP regulated units for a Project located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map.
2. **Sponsor Cap:** No sponsor (any individual, entity, affiliate and related entity) may receive more than the lesser of funding of 2 projects or 20% of total MIP allocation for the respective year.
3. **County Cap:** No one county may receive more than 33% of total MIP allocations for the respective year.
4. **Age-Restricted Cap:** No more than 25% of total MIP funds for the respective year may be received by age-restricted projects (units that are restricted to residents who are 62 years of age or older under the applicable provisions of California Civil Code Section 51.3 and the federal Fair Housing Act), unless a waiver of the minimum age requirement has been granted by U.S. Department of Housing and Urban Development ("HUD").

EVIDENCE OF COST CONTAINMENT:

A Cost Containment Certification must be provided at the time of Construction Loan Closing in a form acceptable to CalHFA in its sole discretion. The certification acceptable to CalHFA may be found at www.calhfa.ca.gov/multifamily/mixedincome/forms/closing-cost-containment-certification.pdf.

The developer/sponsor must certify that cost containment measures have been implemented to minimize construction costs. These measures should include, but are not limited to, 1) competitively bidding out all major subcontractor and self-performing trades and 2) engaging value engineer/consultant during the design process.

EVIDENCE OF SUBSIDY EFFICIENCY:

A Subsidy Efficiency Analysis will be completed as part of the Application review. The analysis will be completed again prior to closing the MIP Subordinate Loan and the MIP Loan amount may be reduced based on the final analysis. Parameters of the analysis may include but are not limited to the following:

- A maximum of 1.20 Debt Service Coverage Ratio ("DSCR"). CalHFA may allow an initial DSCR higher than 1.20 on a case by case basis, if deemed necessary,
- A project cash flow that supports the residential component of the project based on the required CalHFA permanent first lien annual debt service coverage ratio,
- A separate project cash flow that supports any commercial component of a mixed-use project,
- A cash flow after debt service that is limited to the higher of 25% of the anticipated annual must pay debt service payment or 8% of gross income, during each of the first 3 years of project operation,
- Inflation factors and vacancy rates consistent with the Agency's Underwriting Standards,
- Developer Fee requirements matching those required under the 4% federal and/or state tax credit reservation,
- Capitalized reserves subject to approval by Agency for reasonableness consistent with the Agency's Underwriting Standards and the Investor Limited Partnership Agreement (ILPA),

Qualifications (continued)	• Review of Excess Sources over final Uses as approved by CalHFA resulting from any of the following: · An increase in tax credit equity, · An increase in permanent loan debt due to a combination of permanent loan rate reduction and/or reduction to operating expense assumptions; • Construction Cost Savings as evidenced by final cost certification, funds shall be used to reduce the MIP loan prior to CalHFA MIP loan closing or if required by other subordinate lenders, funds may be split on a pro rata basis between CalHFA and other subordinate lenders. • State tax credit request is expected to be within a range of $50,000 to $75,000 per unit. The projects that evidence the most efficient use of state tax credits and MIP per adjusted unit shall be prioritized for MIP funding considerations. The state tax credits and MIP per adjusted unit calculation shall be consistent with CDLAC Regulation Section 5231(g)(1) and 5231(g)(2). MIP final commitment shall be subject to the project's receipt of CDLAC's preliminary tax-exempt bond allocations and CTCAC's tax credits reservations, • Acquisition cost shall be the lesser of 1) the purchase price pursuant to a current purchase and sales agreement between unrelated parties, 2) the purchase price of an arm's length transaction executed within the past 10 years plus reasonable carrying costs, or 3) the appraised "as-is" value based on an Appraisal acceptable to CalHFA in its sole discretion. The appraised value of the real estate may be considered if the arm's length transaction exceeds 10 years.
CalHFA Mixed-Income Qualified Construction Lender	A CalHFA Qualified Construction Lender is defined as a Construction Lender that has closed at least five (5) construction loans using tax-exempt bonds and 4% federal and/or state tax credits in California within the last three (3) years and satisfies the requirement set forth within the application.
CalHFA Mixed-Income Development Team Qualifications	The **Developer/Co-Developer/General Partner** must be registered to do business and in good standing in the state of California. A CalHFA Qualified Developer/Co-Developer/General Partner must have developed at least three (3) comparable projects within the past five (5) years or meet the requirements to receive a minimum of 7 points under the CDLAC General Partner Experience category pursuant to CDLAC Regulations Section 5230(f). The proposed **Project Manager** must have personally managed the development of at least two (2) comparable projects within the past five (5) years **Financial Consultants** hired to assist the Developer in meeting the minimum experience requirements must be able to provide details regarding at least three (3) comparably financed projects over the last five (5) years. **Architects** new to CalHFA must provide information for three (3) comparable projects they designed that were built and occupied within the past five (5) years in the State of California. **General Contractor (GC)** must be licensed by the State of California. GCs new to CalHFA must provide information related to three (3) comparable (in design) projects built in the past five (5) years. Similar information will be required for the proposed on-site construction supervisor. The on-site construction supervisor must have overseen three (3) comparable projects built in the past five (5) years, and they must have overseen the projects from construction start to final completion.

CalHFA Mixed-Income Development Team Qualifications (Continued)	**Management Company** must have a local presence or a field office in Northern or Southern CA (depending on the location of the Project) and have experience managing at least ten (10) low to moderate income rent restricted Comparable (size and tenant types) Projects. Also required is a resume for the proposed on-site Property Manager, reflecting prior experience during the past five (5) years managing onsite project operations and compliance with rent restricted units or meet the requirements to receive a minimum of 3 points under the CDLAC Management Company Experience category pursuant to CDLAC Regulations Section 5230(f).
Permanent First Lien Loan	Must be provided by CalHFA. The permanent loan must meet an initial minimum DSCR of at least 1.15 and must maintain a DSCR of 1.0 or higher for the term of the permanent first lien loan.
Construction First Lien Loan	Provided by a CalHFA Mixed-Income Qualified Construction Lender. All parties shall permit the Agency to, in its sole and absolute discretion, recycle all or a portion of any Bond volume cap related to a paydown of the Bond financed loans, at the conversion of the construction financing to permanent financing and payoff of the Construction Loan, pursuant to the authority provided in Section 146(i)(6) of the Internal Revenue Code of 1986 and CDLAC Regulation Section 5060 (the "Bond Recycling"). The Bond documents, loan documents and any other documents related to the financing of the Development shall contain any necessary approvals and permit all actions necessary to accomplish a Bond Recycling.
Limitations	1. MIP cannot be combined with the CTCAC 9% program. 2. MIP cannot be combined with other state subordinate debt and/or subsidy programs (this does not include state tax credits) with the exception of the Infill Infrastructure Grant, contingent upon restrictions that are compatible with the MIP program requirements. Inclusion of other subordinate debt and subsidy will be allowed at CalHFA's discretion so long as any restrictions of subordinate debt or subsidy are compatible with MIP program requirements outlined herein. 3. Projects that have a below market rate component as a result of an inclusionary obligation or are 100% below market as a result of an inclusionary obligation must demonstrate master developer commitment through a dollar-for-dollar match of CalHFA's resources. Match can be obtained through a monetary match or equivalent in-kind contributions (e.g., land donation, land use fee concessions.) 4. At the time of MIP application to CalHFA, a project must not have already received an allocation of 4% federal and/or state tax credits from CTCAC or a tax-exempt bond allocation from CDLAC. 5. Projects will not be eligible for other subsidy resources from CalHFA in addition to MIP.
Mixed-Income Project Occupancy Requirements	**BOND REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** Must maintain either (a) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of AMI with adjustments for household size ("20% @ 50% AMI"), OR (b) 40% or more of the units must be both rent restricted and occupied by individuals whose incomes are 60% or less of AMI with adjustments for household size ("40% @ 60% AMI"): in the latter case, CDLAC requires a minimum of 10% of the unit types must be at 50% or less of AMI ("10% @ 50% AMI").

Mixed-Income Project Occupancy Requirements (Continued)	**MIXED INCOME REGULATORY AGREEMENT REQUIREMENTS (ALL PROJECTS):** **Affordability Requirements:** 1. To qualify, a project must meet the following affordability restrictions, based on the HUD or locality (as applicable) income and rent limits which are current at the time of MIP application, for a term of 55 years: a. 10% of total units at or below 50% of AMI, b. 10% of total units between 60% to 80% of AMI with an average of 70% of AMI or greater, subject to the Maximum Allowable Rents outlined below, and c. Remaining 80% of total units at or below 120% of AMI with the exception of the non-restricted manager's unit(s) OR at the affordability restrictions consistent with CTCAC requirements. (Deviations from the average unit affordability levels of 70% AMI will only be considered if Market Study supports such deviations.) 2. Projects must be tax credit transactions that are income-averaged and must not exceed an average affordability of 60% of AMI across all restricted units.
Mixed-Income Project Occupancy Requirements (Continued)	**MAXIMUM ALLOWABLE RENTS:** Rents for all restricted units must be at least 10% below market rents as evidenced by a current Market Study or an Appraisal. This threshold will be analyzed at time of application and again at CalHFA's final commitment approval. The report shall be current within 180 days of Agency's final commitment and may be subject to required updating if the report expires prior to construction loan closing. Any proposed rent adjustments above 5% of the approved rents subsequent to construction loan closing may be considered if supported by a recent or updated Market Study or Appraisal that is dated within 180 days from MIP loan closing, at CalHFA's sole discretion.
Mixed-Income Subordinate Loan	1. Maximum loan amount for each project shall not exceed the lesser of $8 million or the aggregate MIP loan amount calculated based on up to $50,000 per MIP regulated units, unless an exception is approved by Agency in its sole discretion. a. Maximum loan per restricted (tax credit or CalHFA) units between 30%-120% AMI shall be up to $50,000. b. Projects located within the Highest or High Resource areas designated on the CTCAC/HCD Opportunity Area Map shall be eligible for an additional amount up to $10,000 per MIP regulated unit. Opportunity Map Home Page: www.treasurer.ca.gov/ctcac/opportunity.asp 2. Loan size based on project need but cannot be more than 50% of the permanent loan amount.

Mixed-Income Subordinate Loan Rates & Terms	1. **Interest Rate**: Greater of 1% simple interest or the applicable federal rate (AFR) at time of MIP closing. 2. **Loan Term**: The MIP loan term shall be coterminous with the CalHFA permanent first lien loan. 3. **Loan Payment**: Residual receipt repayment based on cash flow analysis and split 50% to Owner and 50% to CalHFA and other residual receipt lenders. Residual receipt is defined as 50% of surplus cash which is determined as net operating income minus total debt service and other Agency approved payments. Payments shall be applied to the current and/or accrued interest and then principal of the MIP loan. Deviation from the net cash flow split may be granted 1) to meet equity investor's deferred developer's fee requirement as evidence by the limited partnership agreement, and 2) is subject to approval(s) by other residual receipt lender(s), as applicable. 4. **Affordability Term**: 55 years. 5. **Prepayment**: May be prepaid at any time without penalty. 6. **Subordination**: A subordination and/or extension of MIP maturity request in conjunction with a re-syndication, refinance, or ownership transfer ("capitalization event(s)") will be considered. If MIP loan is outstanding at time of the capitalization event(s) and requires subordination at the time of such event, the surplus cash split between borrower and CalHFA and other residual receipt lenders may be altered to reflect an increased percentage of residual receipts to CalHFA out of Borrower's share until such time as the MIP loan is paid in full. The remaining residual receipts may be split between other residual receipt lenders. 7. **Funded**: Only at permanent loan conversion.
CalHFA Conduit Bond Program	For more information on CalHFA's Conduit Issuer Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf
CalHFA First Lien Permanent Rates & Terms (subject to change)	For more information on CalHFA's Permanent Loan Program and the fees associated with it, visit CalHFA's website: www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf
Fees (subject to change)	**Loan Fee:** 1.00% of the loan amount (50% due at final commitment and 50% due at CalHFA MIP loan closing). **Conduit Bond Program Fees:** Refer to CalHFA Conduit Bond Program www.calhfa.ca.gov/multifamily/programs/forms/termsheet-conduit.pdf **CDLAC Fees:** Refer to CDLAC regulations for all applicable fees. CalHFA First Lien Permanent Rates & Terms for first mortgage loan fees, credit enhancements, trustee fees, legal fees, inspection fees, administrative fees. www.calhfa.ca.gov/multifamily/programs/forms/termsheet-perm-tax-exempt.pdf

Last revised: 01/2021

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CONDUIT ISSUER PROGRAM

MULTIFAMILY HOUSING BONDS

Term sheet effective for applications submitted after May 1, 2020

The CalHFA Conduit Issuer Program is designed to facilitate access to tax-exempt and taxable bonds ("Bond") by developers that seek financing for eligible projects that provide affordable multifamily rental housing for individuals, families, seniors, veterans or special needs tenants ("Project"). The conduit Bonds may be used to finance the acquisition, rehabilitation, and/or development of an existing Project, or they can be used for the construction of a new Project.

Qualifications	• Available to for-profit, nonprofit or public agency sponsors. • Nonprofit borrowers may be eligible for 501(c)(3) bonds. • If bond proceeds are utilized to pay off an existing CalHFA portfolio loan visit www.calhfa.ca.gov for the CalHFA Portfolio Loan Prepayment Policy.
Bond Amount	Bond amount is determined by the loan amount of the selected construction lender.
Fees (subject to change)	• Application Fee: $5,000 non-refundable, due at time of application submittal (covers the cost of the TEFRA required for tax-exempt issuances) and is credited toward the CalHFA Issuer Fee. • Issuer Fee: 1. The greater of $15,000 or 18.75 basis points of the Bond amount if lesser than or equal to $20 million. 2. If more than $20 million: $37.500 + 5 basis points for the amount above $20 million. • Annual Administrative Fee: 5 bps of the tax-exempt bond issuance amount due at construction loan closing and due annually thereafter until permanent loan conversion. After permanent loan conversion, billed annually in advance, 5 bps of unpaid principal balance amount of tax-exempt bond financed loan(s) until bonds are fully redeemed. Minimum Annual Administrative Fee shall be $4,000 through both the Qualified Project Period and the CDLAC compliance period. For taxable only issuances, annual administrative fees above will be charged based on the taxable bond financed loan(s) for the term of the CalHFA affordability restrictions. If used in conjunction with a CalHFA permanent loan product, the annual administrative fee will not be duplicated. Please refer to the applicable permanent loan term sheet for the annual administrative fee. • Public Sale: Additional fee of $5,000 to $10,000 applies when Bonds are sold to the public. • CDLAC Allocation Fee: 0.035% of the Bond amount, $1,200 of which is due at time of CDLAC application submittal with the remaining fee due at construction loan closing and payable to CDLAC. • CDLAC Performance Deposit: 0.50% of the requested Bond amount, not to exceed $100,000, due at time of CDLAC application submittal. Deposit to be refunded after the Bond closing, upon receipt of authorization letter from CDLAC. The Borrower shall be responsible for all other costs of Bond issuance including fees of the underwriter, trustee, rating agencies, lender, compliance administrator, all Bond counsel legal fees, and any other parties required to complete the transaction.

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Occupancy Requirements	• Either (A) 20% of the units must be rent restricted and occupied by individuals whose incomes are 50% or less of the area median income as determined by HUD ("AMI") with adjustments for household size ("20% @ 50% AMI"), or (B) 40% or more of the units must be rent restricted and occupied by individuals whose income is 60% or less of AMI, with adjustments for household size ("40% @ 60% AMI"); however in the latter case, a minimum of 10% of the units must be at 50% or less of AMI. • Borrower will be required to enter into a Regulatory Agreement which will be recorded against the Project for the Qualified Project Period (as defined in the CalHFA Regulatory Agreement). This includes the latter of the federally-required qualified project period, repayment of the Bond funded loan, redemption of the Bonds or the full term of the CDLAC Resolution requirements.

Last revised: 08/2020

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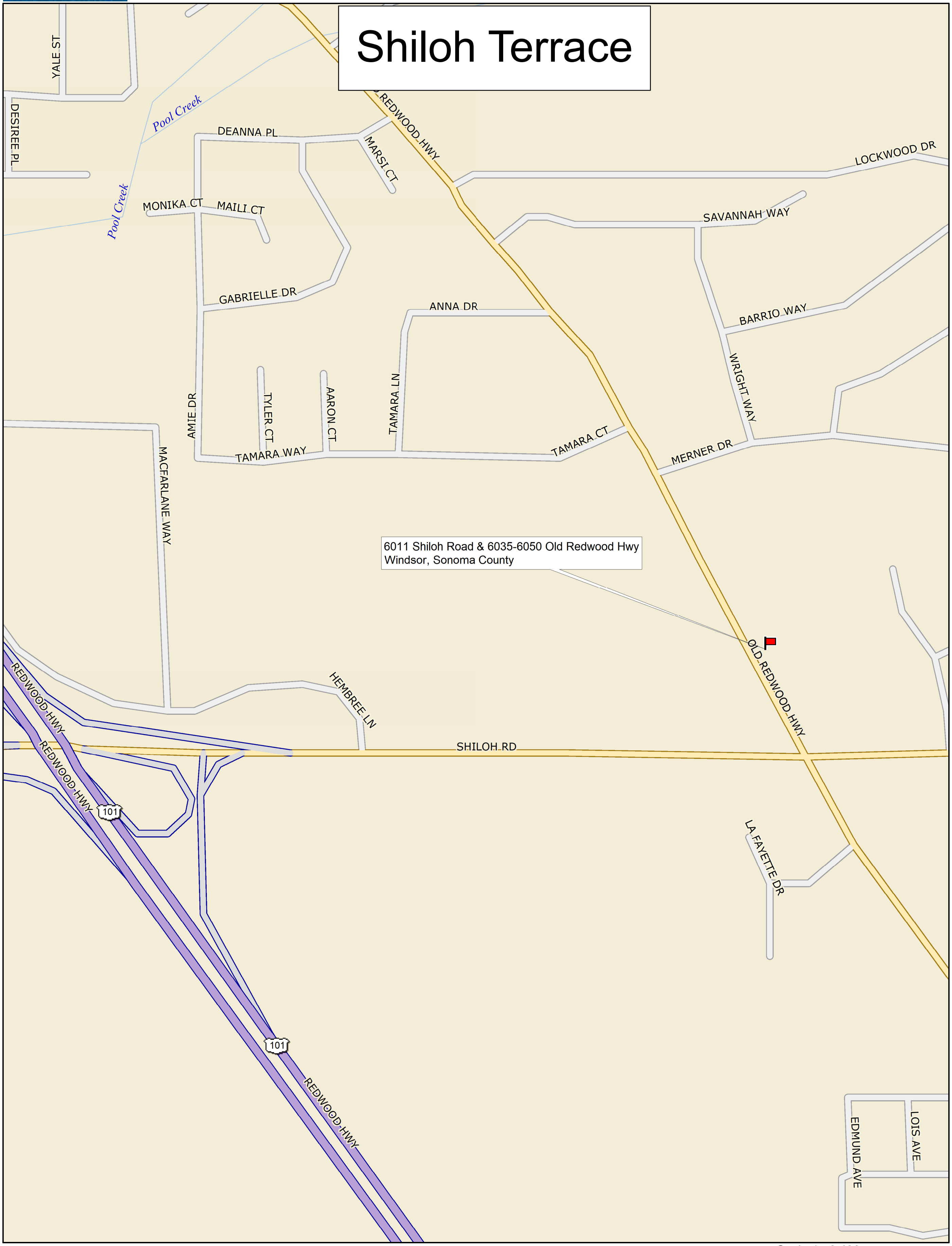
Shiloh Terrace



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Scale 1 : 6,400

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1" = 533.3 ft

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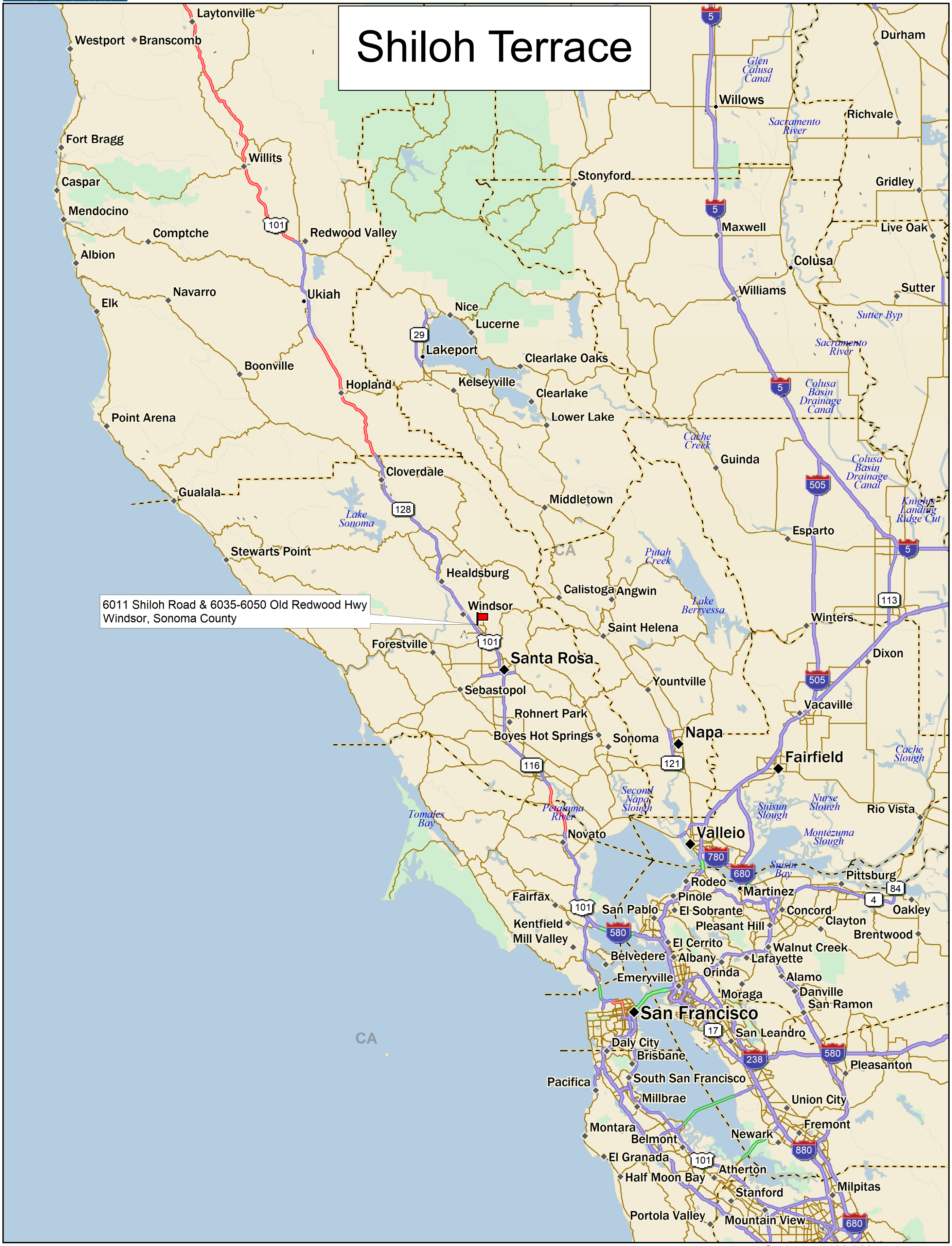

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